Corporate Responsibility Report





In the 10 months since I joined Pitney Bowes, I have gained a deeper understanding of the achievements, aspirations and extraordinary potential of this unique 93-year-old company. Every day, our innovative technologies and powerful solutions are helping clients seize opportunities across the globe—opening markets, engaging consumers, speeding transactions and expediting the delivery of goods and services. At the same time, our people are actively reshaping our organization to unlock additional value and meet emerging needs with energy, enthusiasm and focus.

What enables a great company to renew itself as it heads toward its second century? In our case, the fundamental recognition that the health of our company and the health of all our constituencies are intertwined—that we succeed for our shareholders by helping our clients, our neighbors, our people and our planet. Ultimately, we are in the business of creating opportunity, both inside and outside Pitney Bowes. This is why our long-standing commitment to corporate responsibility is stronger than ever today.

Over the past year we've demonstrated our commitment in a variety of ways:

- We have strengthened our focus on improving clients' experience of Pitney Bowes and helping to ensure that they capture full value from their relationships with us. It is not enough to develop transformative technologies—we must also equip people to capitalize on them. Last year we drew nearly 1,000 U.S. clients to Innovation Summits and Get Connected events to help them maximize the return on our solutions. In addition, we embraced the important task of integrating back-office platforms to ensure seamless transactions for all our clients. These efforts are already beginning to show results through improved retention, higher ratings on client surveys, and external validation from organizations including Aflac, Forrester Research and the Omega Management Group.
- To deliver for our clients, we must deliver for our employees through an inclusive global culture that combines respect for the individual with rigorous professional development, support for healthy living, and an eye toward the next generation of innovators and leaders. Pitney Bowes has a long history of standing up for diversity and encouraging opportunity for all. Last year, we celebrated our 25-year partnership with INROADS to develop high-potential minority youth and prepare them for corporate and community leadership through mentoring, training and summer internships. And within the company, we expanded our Workplace Agility program, which enables employees to take advantage of flexible working arrangements, both on and offsite. As of spring 2013, approximately 40 percent of all eligible employees were agile.
- We continue to raise the bar on green manufacturing and energy efficiency, to the benefit of our employees, clients and communities. Our product take-back program has passed the 50-year mark, and last year we recycled 5.7 million pounds of materials. We use every means available to help reduce our carbon footprint, from employee

- awareness to process innovations and site consolidation. Once again in 2012, we placed among the top 20 in our industry in the EPA's Green Power Partner ratings.
- Our employees' dedication to community service is unwavering. Last year they volunteered more than 80,000 hours of their time to efforts ranging from tutoring students in Pittsburgh to painting a schoolhouse in Sri Lanka. Meanwhile, as a company we strengthened our support for skills-based volunteerism by joining forces with A Billion + Change, a national campaign that mobilizes companies to give pro bono or skills-based service to address important societal needs. And through the Pitney Bowes Foundation, we continued to press forward on the issues of literacy, education and workforce preparedness, engaging students and families all the way from preschoolers to adults in conjunction with leading nonprofit organizations such as Reading Is Fundamental, the Network For Teaching Entrepreneurship and ProLiteracy, to name just a few.

You'll find much more on these and other programs in this report. Taken together, the evidence is compelling: 93 years strong, Pitney Bowes continues to find new and better ways to create opportunity for everyone we serve. I'm honored to be a part of this great company.

We welcome your feedback on our programs and report.

MARC & LAUTENBACK

Marc B. Lautenbach
President & Chief Executive Officer



We are committed to acting and leading ethically and responsibly across every aspect of our business. We demonstrate our commitment to corporate responsibility every day through the way we conduct ourselves with each other, with clients and suppliers, and with the communities in which we do business. Employees are charged with adhering to company values and policies as well as local laws and regulations. Our success is built on honest and fair practices, and our commitment to integrity has been a hallmark of Pitney Bowes for more than 90 years.

Values & ethics

Our values define us as individuals and as a company. We have high ethical standards, and we educate our employees in a variety of subjects to provide them with the tools they need to follow the "rules of the road" and to support their ability to put values into action.

Risk & business continuity

We have a responsibility to our people and our clients to ensure the continuity of our business during times of crisis. We have robust systems in place to identify, prioritize and mitigate risk, including financial and sustainability risks.

Privacy

We are committed to protecting the privacy of personal and sensitive information. We have processes and systems to protect privacy while ensuring information security and to protect the confidentiality of employee communications on sensitive matters.

Values

Our approach to corporate responsibility is grounded in shared values. Our values have been a strength of our company for generations. The words have evolved, but the sentiment and meaning have remained constant.

They are

Client focused

- Thinks outside in; understands client's needs and expectations
- Works across businesses and functions for client benefit
- Provides excellent service to ensure client satisfaction
- Takes steps to ensure a seamless client experience
- Looks for opportunities to improve client experience

Integrity

- Identifies problems and accepts responsibility for mistakes
- Deals honestly and directly with others
- Adheres to policies and procedures
- Escalates concerns and issues, when needed
- Exercises sound judgment and operates with an ethical and moral compass
- Inspires confidence and trust in others

Innovative

- Embraces and demonstrates the concept of lifelong learning
- Creates an environment that supports learning and experimentation, reinforces curiosity, and challenges the status quo
- Uses the client mindset to generate solutions that drive value for the client and for the company
- Champions and/or facilitates development of breakthrough solutions

Passionate

- Inspires others with his/her level of enthusiasm and engagement with clients and colleagues
- Instills a healthy sense of urgency to achieve results
- Goes beyond expectations in the assignment, task, or job description without being asked
- Demonstrates a sincere, positive attitude towards getting things done

Accountable

- Delivers results even when working in a matrix environment
- Owns responsibility for commitments made to clients
- Takes ownership for decisions rather than pushing up to the highest level
- Communicates quickly and directly to provide timely feedback and information
- Takes responsibility for identifying personal strengths, development opportunities and actively seeks feedback to develop realistic career plans and goals

Collaborative

- Seeks to find common ground and works to solve problems from all points of view
- Follows through on commitments to others
- Resolves conflict at peer to peer leve
- Takes actions that benefit the enterprise even when there
 is no benefit to the individual business unit
- Is inclusive but not consensus driven
- Approaches cross-cultural situations with a global mindset and a willingness to ask guestions, listen and learn
- Demonstrates sensitivity and curiosity about others

We promote our values on a global basis through a variety of internal programs and communications.

Ethics

We all make ethical decisions every day. Our approach is to provide clear guidance about our expectations as well as practical resources to help employees gear their actions both inside and outside the workplace to reflect the policy and legal guidelines that govern Pitney Bowes. When there is a question about how to proceed, there is always somewhere to go for support and assistance.

Code of conduct

Our code of conduct, the Pitney Bowes Business Practices Guidelines describes and illustrates the ethical and compliance standards expected of our employees in the way we treat each other, our clients, our business partners and the communities in which we live. The code is currently available in 11 languages and dialects.

We reinforce our commitment to ethical behavior and legal compliance through our employee engagement survey, which gives employees the opportunity to share their experience and opinions about how their managers and senior managers have put our ethical standards into action.

Advice and reporting channels

We encourage employees to seek advice in dealing with ethical dilemmas and to report any suspected wrongdoing. Our Ethics Help Line, operated by a third party 24 hours a day, seven days a week, enables employees to report wrongdoing anonymously and in virtually any language in which Pitney Bowes does business, without fear of retaliation. An automated system facilitates the process by routing each call to an operator fluent in the caller's language. Employees can also contact the Global Ethics and Business Practices Department in person or anonymously through hard-copy mail, telephone or email delivered to a special email address. All claims of potential violations of law or policy are reviewed and investigated. In the event a complaint is verified, appropriate disciplinary action s taken.

Metrics

We constantly monitor the performance of our ethics and compliance programs to improve their effectiveness. Pitney Bowes is a member in good standing in the FTSE4Good Index, the responsible investment index sponsored by the FTSE Group. FTSE's review of eligible companies focuses primarily on anti-bribery and anti-corruption policies and practices.

Training and online ethics and compliance advice

Each year, employees are required to take training on specific company policy, business practices and the law covering such topics as records retention, antitrust and anticorruption. We use a variety of assessment tools to identify areas of risk, and then we design programs to mitigate the risks. We offer training through seminars, online and via WebEx and through other channels for employees who do not have access to a computer.

Our Global Legal and Compliance Organization led two internal teams focused on enhancing compliance tools for employees and on an IdeaNet challenge on compliance-related training. The teams jointly contributed to the creation of a new website, "Integrity Matters," offering advice on company policies, practices and standards in 18 legal or ethical subject areas. Each page contains an explanation of its topic, tips on related "dos and don'ts" and links to resources for a "deeper dive" into the issues involved. Along with the new GLACO website, a new curriculum from Learning and Development offers foundational training in core ethics and compliance topics for all employees on an annual basis.

Risk

We have a structured, consistent and continuous risk management process in place across the organization. This Enterprise Risk Management system identifies and prioritizes potential risks to the business, including financial, environmental and societal risks. These risks are then assessed in terms of probability, severity and status of mitigation plans. The risks identified are reviewed by a senior management Risk Steering Committee and the Board of Directors. The risk management process is reviewed independently by the Audit Committee of the Board.

The result is a strategic approach to risk. By focusing on those issues that can affect how well we achieve our long-term goals, management is able to balance risk and reward appropriately and holistically, strengthening and aligning the interests of management, employees and shareholders. And by integrating this understanding into the company's culture, we help transform risk management from a defensive function into a source of competitive advantage.

Business continuity

Our business continuity program is aligned with our risk management process. The program's primary objective is to support ongoing contingency planning to evaluate the impact of events that may adversely affect customers, assets or employees. We have established processes to support the continuity of our businesses during times of crisis. With a core staff and engagement by our business units, we are able to respond appropriately as events arise. We also train our employees, run simulation exercises and evaluate our program each year for potential improvements.

Helping clients and neighbors during and after Hurricane Sandy

Hurricane Sandy, the second costliest hurricane in U.S. history, spread devastation across 24 states during its passage up the Atlantic seaboard in October 2012, with New York, New Jersey and Connecticut among the hardest-hit areas. Through the long hours of the storm, the Pitney Bowes Management Services team at Bank of America worked to minimize its impact on the bank's day-to-day operations while expediting the delivery of relief supplies to those in need. Advance planning, coordination with city and state evacuation and transportation authorities, and the unstinting efforts of more than two dozen employees helped to avoid service interruptions, speed recovery and ensure the safety and well-being of all concerned.

Privacy

We handle sensitive and personal data, and many of our customers use our products to manage personal information. We have formal governance, training programs, policies and compliance assessments relating to privacy and information security.

Our global policies, procedures and standards cover privacy and data protection, information security and acceptable use. Special policies apply to employees handling particularly sensitive data. Incident response procedures are in place for investigating and remediating any potential or actual departure from those policies.



We serve more than a million clients in well over 100 countries.

We are committed to reducing our environmental impact worldwide.

- We have been a leader in adopting energy-saving practices and encouraging clients and suppliers to do the same.
- We provide our clients with solutions that improve efficiency and reduce waste in business communications, from market analytics to document production to the delivery of merchandise and services.
- We design products to minimize lifetime environmental impact and facilitate remanufacture. In 2012, our sales of remanufactured products rose 25 percent from 2011.

Product return and recovery

Pitney Bowes has a long legacy of product remanufacturing and recycling. We started our product take-back program fifty years ago, and since then we have recovered millions of pounds of equipment and components for reuse and recycling.

Energy Conservation

We work continuously to improve energy efficiency in our facilities and operations. We measure our carbon footprint and seek ways to reduce it. We promote environmentally

responsible practices in paper procurement and print production.

Performance 2012

We report our carbon emissions, product stewardship and recycling tonnage.

Pitney Bowes environmental innovation timeline

- 1944 Asset Return Program
- 1944 Design for Environmental Quality
- 1944 Green Power Market Development Group
- 1944 WasteWise Hall of Fame, Carbon Disclosure Project
- 1944 Eco-Patent Commons, WHQ green renovation
- 1944 Corporate Responsibility Report and metrics
- 1944 Third-party validation of CO2 footprint; Coalition for Energy and Environmental Leadership in Leased Space
- 1944 Green Machines: remanufacturing emphasis
- 1944 Agile and Home-Based Employee Work Model: environmental savings

Product return and recovery

Pitney Bowes has a long legacy of product remanufacturing and recycling. We started our product take-back program fifty years ago, and since then we have recovered millions of pounds of equipment and components for reuse and recycling. Today, 95 percent of our mailing equipment parts are recyclable. We have established centers throughout the United States and Canada where clients can return products for subsequent remanufacture, harvesting of parts or recycling. Last year equipment remanufacture diverted 636,977 pounds of waste from recycling to reuse.

We have also become more aggressive in marketing remanufactured products. In 2012 our sales of remanufactured equipment and Factory Certified Green Solution were up 25 percent from 2011.

In addition to the mailing systems, toner cartridges are an important part of our focus on recycling. In the United States, we recycled nearly 158 tons of toner cartridges in 2012 through an outside firm that handles collection, sorting, reuse, recycling and the processing of scrap at a waste-to energy facility.

Energy conservation

We work continuously to improve energy efficiency in our facilities and operations. We measure our carbon footprint and seek ways to reduce it. We promote environmentally responsible practices in paper procurement and print production.

Carbon footprint

In 2007, we established our baseline carbon footprint using the World Resources Institute standard. We publicly report our carbon footprint through the international Carbon Disclosure Project. Since October 2010, a third-party consultant has reviewed our procedures for the collection and reporting of carbon emissions and validated our methodology. In 2012, we expanded our third-party verification to include scope 3 carbon emissions by including business air travel mileage.

Reducing consumption

We are committed to making all our operations greener and more efficient. Our cross-functional Energy Task Force has raised employee awareness about energy conservation and led to significant reductions in electricity consumption. Through the end of 2012, we reduced our electricity consumption by more than 20 million kilowatt-hours from our 2007 baseline, saving \$2.8 million and reducing our carbon footprint by 11,894 metric tons of CO². Energy-saving initiatives have included better lighting systems; improved heating ventilation and air conditioning controls; more efficient chillers, conveyors and computer monitors; and the use of motion sensors to shut off lights in unused spaces.

A significant percentage of these savings has come from the company's continuing use of site consolidation as part of its larger strategic transformation. Over the last three years, site consolidation has enabled us to reduce electricity consumption by more than 11 million kilowatt-hours, resulting in a reduction of nearly 6,000 metric tons of carbon emissions.

We are a founding member of the Green Power Market Development Group, an industry partnership with the U.S. Environmental Protection Agency to promote the development and purchase of alternative energy. Since 2003, we have purchased renewable energy credits to support green power projects using technologies such as solar, wind and biomass. So far, our RECs have resulted in more than 37,000 metric tons of CO² emission reductions. In 2012, our purchases of Green-e® certified RECs helped reduce CO² emissions by 6233 metric tons.

In addition, over the last few years, we have instituted a well-received agile work program. Agile work has enabled employees to reduce their commuting time and gain flexibility in determining where and how they work. In 2012, with 16 percent of our U.S. workforce agile or mobile, employees saved a total of 509,655 hours in travel time and 857,792 gallons of gasoline, reducing greenhouse gas emissions by 9.8 million pounds.

Minimizing waste from operations

Since 1996, Pitney Bowes has taken part in the EPA's WasteWise Initiative, a voluntary program to minimize the generation of wastes, increase recycling and promote the manufacture and purchase of products with recycled content. Over the years, we have received nine awards from the EPA, including designation as Program Champion and Partner of the Year. In 2007, we were named to the WasteWise Hall of Fame for our leadership in recycling. Only 15 other companies share this honor.

Our U.S. waste reduction campaign resulted in the avoidance of more than 20,334 metric tons' equivalent of CO^2 (MTCO 2 E) in 2012. Since 2004, we have avoided 186,959 MTCO 2 E, equivalent to the effect of removing approximately 33,700 cars from the road and saving approximately 19 million gallons of gasoline.

Global environment, health & safety management system

Pitney Bowes is committed to complying with environmental, health and safety regulations for all operations globally. We aim to provide safe products and services, to reduce their impact on the environment, to conduct our operations in an environmentally responsible manner, and to ensure that our employees can work without injury at our facilities or other locations. Our EHS management system helps us achieve legal compliance and ensures we have the processes needed to comply.

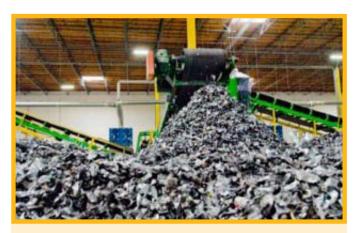
A total of 98 European Pitney Bowes locations operate in accordance with ISO 14001 (the international standard for environmental management systems): 86 facilities in the United Kingdom and the Republic of Ireland, five in Sweden, three in Norway, two in Denmark and one in Finland. In addition to ISO 14001, we also measure ourselves by 34 technical standards incorporated into our 2009 Global EHS Policy and environmental, health and safety management system. The EMS provides guidelines for monitoring site performance, conducting audits and management reviews, and implementing corrective and preventive actions. EMS audits are conducted by internal qualified professionals, and the results are reported to senior management. The frequency of audits is based on site complexity and past

performance. We analyze instances of nonconformance to our policies and standards, take corrective action and establish preventive measures to reduce the likelihood of future nonconformance. In 2012, we conducted 32 facility audits: 23 at Pitney Bowes domestic and international operations and nine at third-party locations (suppliers, waste and recycling facilities and warehouses). These audits resulted in a total of 154 action items.

Special attention to electronic waste

Waste from electronic products, or e-waste, poses a global threat to soil and water quality. According to U.N. estimates, between 20 and 50 million tons of e-waste are generated worldwide each year. Within the U.S., e-waste now accounts for 80 percent of the country's toxic garbage and 70 percent of the heavy metals in landfills. To support the EPA's effort to combat the growth of e-waste, Pitney Bowes' policy is to recycle all electronics that are not remanufactured. Materials captured through recycling (plastics, steel, aluminum, copper, etc.) are then available for use in a variety of industries.

Our selection of a recycling vendor was based in part on the firm's guarantee that all e-waste would be broken down for reuse and no e-waste would be shipped overseas. We verify the firm's performance through audits and compliance checks as well as tracking waste quantities. In 2012, 2,545 tons of U.S. electronics waste were recycled.



E-waste processing in Indianapolis, IN



PB Green: Find It, Fix It

Throughout 2012, we encouraged employees to take environmental responsibility personally under the banner of, "EveryBODY Can Do It: Reduce Environmental Impact." Each of the 100 largest Pitney Bowes operations received its own customized "Find It, Fix It" kit describing corporate waste management programs and offering tips and techniques for developing local green initiatives. Each package included colorful posters, Green Office Guide handouts, a video on remanufacturing, themed pens and recyclable tote bags. Materials were also made available to other Pitney Bowes locations through our internal website.

Presort powers up fleet logistics, LDPE plastic recycling

Two programs in Presort Services stood out for environmental innovation in 2012. Presort's new fleet logistics program matches vehicles with specific delivery requirements, optimizes routes and tracks individual vehicle performance by a variety of metrics to determine both cost per hour and cost per mile. At the same time, Presort is leasing two new trucks to test the potential for electric- or gas-powered vehicles throughout the fleet.

The second program involves the recycling of LDPE plastics used in product packaging. Since starting the program in 2009, Presort now recycles LDPE plastics at the rate of approximately 57 tons per year, diverting a significant waste stream from landfills while generating a modest recycling revenue stream.

Environment Week in Noida, India

Stunning photographs and collages by Pitney Bowes Software employees in Noida, India were a highlight of the organization's annual celebration of Environment Week in 2012. Contests, exhibitions, posters, mailers and an open scribbling board encouraged the sharing of personal insights on environmental themes, and employees responded with creativity and enthusiasm, as these examples illustrate.

Remediation activities in Stamford, CT

The June 2012 demolition of a 4,000-square-foot Pitney Bowes facility at 23 Barry Place, Stamford, CT, triggered a three-phase remediation program to remove contaminants and ensure the site's safety for future use. In the first phase, 240 tons of construction debris contaminated with PCBs was collected and shipped to the Clean Harbors Grassy Mountain Landfill in Grantsville, UT, following the abatement of asbestos-containing materials. The second phase, which began in October, involved the removal of the building's foundation slab and contaminated soils from seven on-site areas of concern. Non-PCB, non-hazardous soil totaling 486 tons (approximately 300 cubic yards) was sent to a Casella Resource Solutions facility in Stanley, NY. PCB-contaminated soil was separated into two lots, with 1945 tons (approximately 1200 cubic yards) of lower-concentration material (less than 50 ppm) sent to the Turnkey Landfill in Rochester, NH, and 3,292 tons (approximately 2050 yards) of more contaminated soil sent to a Chemical Waste Management Inc. facility in Model City, NY. The excavations were backfilled to grade with clean fill, and the site was stabilized by the end of December 2012. The third









	2008	2009	2010	2011	2012
Direct and indirect emissions of carbon dioxide MTCE	97,242	124,107	120,263	111,836	112,732 (*3)
Direct emissions of CO _{2e} /\$M of revenue	3.67	7.65(*1)	8.52	8.14	9.54 (*3)
Indirect emissions of CO _{2e} /\$M of revenue	11.8	14.6	13.65	13.05	13.44(*3)
GHG emissions per unit of floor space (tons of CO ₂ /ft²)	0.01	0.02	.02	.02	.02
Annual waste recycled or prevented, in pounds (US only)	13,686,766	14,532,290	11,702,258	15,403,520	15,584,000
Annual waste recycled or prevented, in MTCE	16,147	26,938 (*2)	16,635	23,562	20,334
Annual waste recycled or prevented, in MTCE avoided/\$M of revenue	2.6	4.8	3.1	4.46	4.15
Product recycling, in cumulative pounds (US and Canada only)	13,588,464	20,159,239	26,705,481	31,212,668	36,939,645

^(*1) Improved data collection of direct and indirect emissions from international operations has expanded the carbon emissions for Pitney Bowes in 2009.

(MTCE = metric tons of carbon equivalents)

Partnerships, recognition and awards

SoundWaters Honors Pitney Bowes at Tall Ships Ball

Each year, SoundWaters, a Connecticut nonprofit devoted to environmental science, uses its 80-foot teaching schooner to help area students learn about the natural world by studying and sailing on the Long Island Sound. The ship is also the site of the annual Tall Ships Ball, a celebration of the work others are doing to advance the economic, environmental and educational interests of communities along the Sound. In May 2013, SoundWaters selected Pitney Bowes to be the first company to receive its Founder's Award for outstanding community service. Pitney Bowes has supported SoundWaters programs from the organization's first days and led the drive to create its Coastal Education Center in Stamford.

Aquarion Environmental Champions Award Eco-Patent Commons Carbon Disclosure Project Greening the Mail Task Force Green Coast Award



Marc Lautenbach and State of Connecticut Governor Dannel P. Malloy shown accepting award.







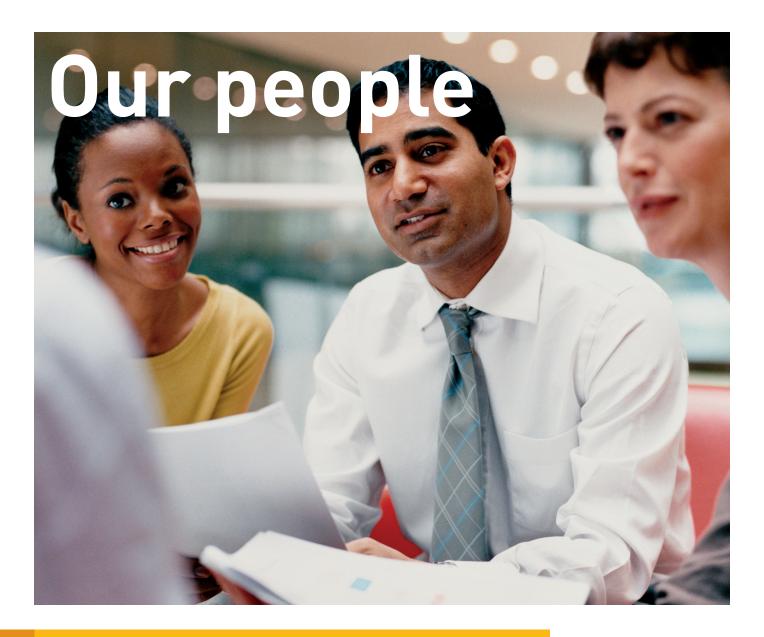






^[*2] Increase in MTCE avoided is largely due to significant increase in paper recycled.

^(*3) Includes data from more international locations and scope 3 emissions.



We value our employees and know that our success depends on their commitment to Pitney Bowes. We are committed to helping them develop, and we embrace a culture of diverse backgrounds and experiences. We strive to provide a safe workplace and actively help our employees to pursue healthy lifestyles.

Engagement & development

We believe strongly in a culture of innovation, learning and engagement. Our employees' commitment, passion and energy drive innovation and client value, which drive growth and financial success. We seek to engage employees through challenging work assignments, career development opportunities and programs that promote personal and professional growth.

Diversity & inclusion

Diversity and inclusion are embedded in our culture. Our diversity helps us to understand markets, connect with clients, develop innovative solutions and attract and retain the best talent and suppliers. We embrace diversity in every area of our business and at every level of our organization, and we recognize that diversity itself can mean different things in different cultures. Our program and practices continue to grow with our company's global footprint and perspective.

Safety

We value the safety of our employees, and we are committed to an injury-free workplace. We work continuously to identify, control and eliminate hazards, and we hold all employees accountable for following safety rules.

Health & wellness

Employees who take action to manage their health are happier and more productive and have reduced health care costs. We encourage employees to do this through an on-site culture that supports healthy actions. We offer affordable access to health care, and we provide a range of programs to make it easy for employees and their families to lead healthy lifestyles.

Performance 2012

We report on diversity and inclusion and workplace safety.

Engagement

Highly engaged employees are crucial to our company's success. They have a strong client focus, radiate optimism, achieve or exceed their objectives, have lower absenteeism and suffer fewer injuries than others.

We seek to engage employees through challenging work assignments, career development opportunities and programs that promote personal and professional growth. We encourage dialogue, solicit feedback and measure engagement through a range of mechanisms, both online and off. We also recognize managers and teams that demonstrate high engagement by showcasing their practices in our internal magazine and at group meetings and by asking them to lead engagement and communication training.

We use a variety of channels to promote employee engagement, including several online forums:

- Our Enterprise Social Network (Yammer), launched in 2009, has grown into an important tool for global collaboration. It empowers employees to be more productive, make smarter decisions faster, and form teams easily to take on business challenges, reducing cycle times and improving relationships with clients and partners. To date, more than 8,200 employees have posted more than 55,000 messages.
- IdeaNet engages employees throughout the company to collaborate on specific innovation challenges with an overall focus on increasing organic growth and improving processes. Over the last three years, employees from 28 countries have participated in multiple languages, contributing suggestions that have led to millions of dollars in new revenue and cost savings.
- Additional forums include ServiceNet for service employees, HackNet for technology entrepreneurship, StoryNet for sharing client relationship innovations, and Beehive, an entrepreneurial innovation collaboration, which began in Canada and has now spread to the United States, Europe and India.

We also solicit employee feedback through regular surveys. For years we have conducted a global employee survey available in 18 languages. The survey explores overall engagement, action planning and manager effectiveness as well as engagement drivers such as development, recognition, future vision and communication. In addition to multiple-choice questions, the survey gives employees an opportunity for more detailed feedback via confidential written comments. The response rate is typically between 75 and 85 percent. In 2012, we expanded the opportunity for employees' comments to include direct questions posed to the senior leader of their choice. In 2013, we complemented the global survey with a shorter pulse survey on core cultural principles.

Additionally, our Workplace Agility Program is a form of engagement that takes advantage of mobile technologies to make it easier for employees to work effectively in multiple locations (including collaborative spaces, client sites and their homes). Since its beginning in 2009, the program has fueled important gains in employee productivity, morale and quality of life. By engaging employees in fresh choices about where and how to work, it has not only helped them work more efficiently but also enabled many of them to recapture hours of personal time that would otherwise have been spent commuting. The environmental benefits of agile work,

Spark Tank Challenge highlights third annual global Innovation Day

Our annual Innovation Days regularly draw hundreds of attendees to share insights into new products, emerging technologies and future growth paths for Pitney Bowes. In 2012 the event featured a Spark Tank Challenge, in which more than 100 entrants offered ideas in areas as diverse as document screening, the use of QR codes in records management, and new tools for marketing to businesses structured as cooperatives. In May 2013, it grew into a two-day innovation and technology celebration focused on new developments in mapping and location intelligence, cross-border shipping and geocoding.

including reduced gasoline consumption by commuters, are detailed elsewhere in this report. As of spring 2013, approximately 40 percent of all eligible Pitney Bowes employees were agile or mobile.

Development

We focus on hiring talented people, nurturing their growth and providing opportunities for them to make a real impact for themselves and for Pitney Bowes. We see employee development as a partnership between an employee and his manager, aided by strong support from our Human Resources organization.

Since 2011, we have supplemented this decentralized approach with an Enterprise Learning and Development organization to drive a stronger culture of innovation, improve coordination across business units and provide consistent tools and metrics throughout the company. The Enterprise structure includes centers of expertise focused on leadership, professional development and technology as well as the needs of specific employee groups such as sales, service, operations and corporate staff.

Across this entire spectrum, our company values remain at the heart of our approach. We have identified fundamental behaviors for our employees based on our values, and we provide tools to help employees measure themselves against these standards. In 2012, following a successful pilot, we introduced OPTM360, a self-serve online tool which allows employees to seek 360 feedback from their manager, peers, direct reports (if applicable) and clients. So far, 182 employees have taken advantage of the opportunity.

Each year, employees work with their managers to set performance goals and objectives, identify strengths and development needs, and build a developmental plan to broaden current skill sets and acquire new ones. Employee development takes many forms, including on-the-job training and rotational assignments, coaching and employee mentoring, internal learning programs, online resources and community service opportunities. We also offer tuition reimbursement for job-related higher education.

Leadership development is a continuing focus. We strive to identify leaders early on and give them the knowledge and experience they need to excel. We provide a wide array of leadership, communication and performance management

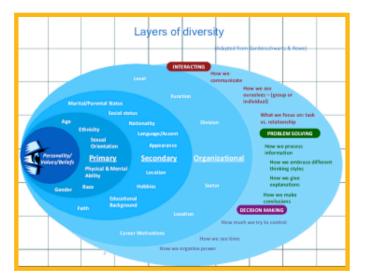
learning solutions—from foundational programs for new managers to advanced courses for seasoned leaders. We also provide targeted development for specific individuals or groups. Our Global Early in Career Development Program targets high-potential millennials with less than ten years of total industry experience. Launched in December 2011 with a goal of improved retention, accelerated mobility and qualitative contributions to business outcomes, the program has already had an impact in many parts of the organization. Among the target group, retention has increased from 80 percent to 94 percent, and 55 percent of participants have been promoted or gained expanded responsibilities. Another targeted initiative is our Manager Acceleration Program, an e-learning system that guides managers through a self-assessment and then provides personalized training recommendations.

Diversity & inclusion

Pitney Bowes has been recognized for decades as a leader in valuing and leveraging diversity. From a heritage of respect for the individual, we have developed a culture in which the importance of diversity is embedded in our business model and employee value proposition. Our diversity helps us better understand evolving markets, connect with our global client base, develop innovative solutions, and attract and retain outstanding talent.

As the concepts of diversity and inclusion have evolved, so has our approach. We have integrated diversity initiatives into every area of operations, from talent management to the ways we foster innovation and manage client relationships. As a company with operations in many countries around the world, we have also become more global in our diversity and inclusion programs and practices.

We have also cultivated a network of external partnerships in areas such as talent acquisition and retention, supplier diversity, legislative matters and branding. Through these partnerships, we raise our visibility among top-tier candidates while providing development opportunities for employees who work with these organizations and serve on their boards. The groups we work with span the fields of engineering, information technology and business enterprise. They include the National Black MBA Association; National Hispanic Corporate Council; National Society of Black Engineers; National Urban League; Society of Hispanic MBAs; INROADS,



Recruiting and hiring veterans accelerates with the 100K coalition

At Pitney Bowes, hiring military veterans and spouses is a way to bring valuable skills, training and perspective into the company. In 2012 we expanded our partnership with the 100,000 Jobs Mission, a joint effort of more than 90 companies to expand veterans' civilian career opportunities. Specific achievements included launching a new website enabling veterans to map their training and skills against actual Pitney Bowes job openings, participating in more than a dozen job fairs and career presentations for veterans, and posting jobs with Veterans Assistance organizations from coast to coast. From January 2012 through June 2013, we had recruited and hired more than 167 veterans.



Inc.; and the Society of Women Engineers. In 2012, we also joined the 100,000 Jobs Mission, a coalition of companies committed to hiring at least 100,000 transitioning service members and military veterans by 2020.

At a tactical level, our approach has four dimensions:

- **Representation:** We monitor the composition of our workforce and seek to reflect the diversity of available talent at company locations.
- Recruitment: We work with external partners such as the Society of Women Engineers and the National Society of Black Engineers to recruit people who will strengthen our diversity representation.
- **Retention:** We offer web-based seminars, networking sessions, speaker events and conferences to help develop our diverse talent.
- Leadership: We regularly incorporate senior executives into our programs, and we offer leadership development opportunities for key women and people of color to help them grow their skills, obtain cross-functional experience and gain senior-level visibility.

INROADS internships

Since 1987, Pitney Bowes has worked with INROADS, Inc., to identify and develop outstanding underserved students and prepare them for corporate and community leadership. Students apply to INROADS between their freshman and sophomore years in college, and those accepted receive career coaching, training and summer internships with a view to full-time employment upon graduation. In 2012, we hosted 18 INROADS interns in accounting, communications, engineering, human resources, marketing, product management and corporate citizenship.

Catalyst India celebrates "Communities That Count"

In April 2012, a delegation from founding supporter Pitney Bowes joined other members of the Catalyst India Advisory Board at a reception in Bangalore commemorating 50 years of expanding opportunities for women in business. Founded in 2011, Catalyst India WRC is committed to accelerating this expansion in an economy in which 67 percent of employers are struggling to fill jobs, yet women still make up only 23 percent of the private sector labor force. With offices in the United States, Canada, Europe and India, Catalyst has more than 600 members around the world, including businesses, schools and associations that collectively employ millions of women.

International Diversity & Inclusion Council

Formed in 2007, the Europe-based council includes representatives from all of our businesses and geographies, who work together to create a more inclusive working environment through training, leadership example, recognition and communications. In addition to conferences, regional briefings and training sessions throughout the company, the council also sponsors the International Diamond Awards annually for individual and group leadership in the areas of diversity and inclusion. In 2012, Diamond Award winners included individuals and teams in France, India, Norway and the United Kingdom.

Awards and recognition

Pitney Bowes and its employees continue to earn recognition from numerous external organizations for excellence in diversity and inclusion. Among the awards:

- Diversity/Careers in Engineering & Information Technology: Best Diversity Company 2012, 2013
- DQ-CMR Best Employer Survey (India): No. 8 Best Employer: Employee Size <2000 Employees, 2012
- Hispanic Business Magazine: Best Companies for Hispanics 2012
- NASBA Center for the Public Trust: Being a Difference Award 2011-2012
- Profiles in Diversity Journal: Women Worth Watching 2013
- Westchester Greater Connecticut Chapter of the National Black MBA: Corporate Partner of the Year 2012, 2013
- Canada's 2012 Top 100 Employers: Canada's Best Employers for New Canadians 2012

Supplier diversity

Pitney Bowes's commitment to diversity extends throughout its supply chain. For information on supplier diversity programs, please see the Clients and Suppliers section of this report.

Safety

We are committed to maintaining a safe and environmentally sound workplace for our employees, contractors and guests under the guidance of our Global Environment, Health and Safety policy and management system. Our EHS management system provides a governance process to ensure oversight and accountability for our performance, and our global EHS department supports this process with expertise in occupational safety, industrial hygiene, environmental systems and compliance with global regulations regarding our products and operations.

EHS Management System highlights

Our Environment, Health and Safety management system covers the full range of EHS issues and concerns and provides comprehensive tools for resolving them. It includes risk assessment, robust reporting and incident investigation, inspections and audits, management of change, communication, and training.

Here are some examples of initiatives carried out in 2012 in accordance with our management system:

Organization and oversight

- Major lines of business adopted safety performance and loss cost dashboards that enabled them to review performance and improve accountability at more organizational levels.
- Expanded global EHS influence through inspections and audits in India, Japan, Australia, Brazil and Europe, establishing contacts within each line of business to assist with oversight, emergency response, risk assessment and communication.

Risk assessment

- In partnership with Strategic Safety Associates, we continued to expand the MoveSMART® program in our U.S. Mailing—Customer Care and Global Supply Chain, Critical Distribution Center operations. The program combines ergonomics with martial arts to improve strength, balance and control.
- We continued to focus on assessing ergonomic risks. Sprains and strains due to manual material handling account for approximately 40 percent of our work-related injuries.
 Working both internally and with Ergonomic Technologies Corporation, we conducted additional risk assessments and completed training of local Ergonomic Tiger Teams.
- In support of the company-wide initiative to increase the number of employees working from home, we held several Agile Fairs in 2012, where we provided employees with information on the benefits of working agile as well as instruction on how to use computer-based telecommuting technologies and how to complete an ergonomic assessment of their home-based workstations. Under the Agile Work program, employees who are authorized to work from home are provided with a stipend to ensure that their home-based workstations meet Pitney Bowes ergonomic standards.

Inspections and audits

In 2012, we conducted 32 formal EHS compliance reviews.
 The reviews covered 16 U.S.-based operations, seven international sites and six recycling and waste disposal companies, and three of them covered product compliance.
 Discrepancies and recommended corrective actions from such reviews are captured and tracked until final resolution.



Managing change

- At the request of PB US North America Mailing, our EHS group worked closely with San Diego-based ecoATM during the launch of an innovative mobile kiosk that enables consumers to be reimbursed for safely recycling their hand-held electronic devices. Our efforts contributed to the creation of an operating manual that includes information on security, energy control and materials handling.
- In preparation for the newly released OSHA Global Harmonization Standard, Pitney Bowes businesses have reviewed their site inventories of hazardous materials and have developed a database with material-safety data sheets that provide employees with information on product composition, related health and safety hazards, safe handling practices and more. Our new service will automatically update the data sheets to coincide with the new GHS standard, and all affected employees will receive training in 2013 regarding this new rule.

Communication and training

- We increased e-learning curricula through partnership with DuPont to offer more courses in multiple languages through our internal learning management system.
- We created an online course selection tool to help supervisors determine applicable training for their employees based on job assignments.
- Continuing our "EveryBODY Can Do It" campaign, we created a behavior-based safety kit that was mailed to our largest 100 locations, with electronic copies made available to smaller sites. The "Find It Fix It" Kit addresses common safety issues such as avoiding slips, trips and falls; reducing sprains and strains; conducting risk assessments; and reporting injuries.





Performance

In 2012, our risk reduction initiatives continued to pay dividends as we achieved a 7 percent reduction in the rate of injuries (normalized by revenues) and a 42 percent decline in lost-time cases through improved case management and enhanced use of early-return-to-work programs.

Health & wellness

We provide the programs and resources to support and motivate our employees and family members to be healthy and energized for their work and life. Employees who take action to manage their health are happier, more engaged and more productive than those who do not. They also save money on health care, both for themselves and for our company. We make it easy for employees to take charge of their health through a healthy work environment with healthy food; access to nutrition, fitness and stress management programs; free preventive care screenings; free nutrition counseling; and more. We offer affordable access to health care and help our employees make the choices that are good for their health and their wallets. We provide specialized resources such as maternity management and nurse hotlines for those enrolled in our medical plans, and free financial advice and other work/ life assistance programs to all employees and their families.

Our wellness programs provide a range of options to help employees and their families adopt and maintain healthy lifestyles. The programs have repeatedly earned national recognition for excellence. For the last nine years, the National Business Group on Health has honored Pitney Bowes with its Best Employer for Healthy Lifestyles Award.

Education & awareness

We do our best to make it easy to learn about healthy living. Each of our health plans sponsors a Healthy Rewards program, which gives our employees and their spouses or partners the opportunity to understand their health risks and participate in programs to help them improve their health. From January 2012 through June of 2013, employees earned \$960,000 in such rewards. In addition, Project: Living communications (www.pbprojectliving.com) provide up-to-date guidance on a broad range of matters including health and wellness, financial planning and work/life balance—together with information on how best to take advantage of company benefits in these areas.

Changing behavior

Small changes in health habits can yield great results in overall health, and we offer a wide range of programs to help employees learn how to make those changes. In 2012, more than 1200 employees participated in Get Moving Around the World, our 12-week Walking and Fitness Program, with an average loss of eight pounds (one Body Mass Index point) and over half of participants exceeding the national physical activity goals of 150 minutes of activity a week. More than 800 employees participated in the Change One Weight Management program, averaging an eight-pound weight loss per session, with some employees losing more than 50 pounds in two sessions. An additional 147 employees took part in our fiveweek Healthy Heart webinar series, and 162 completed the seven-week Live Well with Type 2 Diabetes program. We also offered a six-week Holiday Survivor program combining nutrition, fitness and stress management; when the program ended, 86 percent of participants reported that it had helped them maintain their pre-holiday weight.

Other benefits include a free tobacco cessation program, free financial planning for all employees, and discounts on products and services such as Weight Watchers® and gym memberships, with many of these programs available to family

members as well. Meanwhile, we continue to invest in callcenter walk stations and other workplace enhancements that support healthier lifestyles.

Improving access to care

Our six on-site medical clinics in the U.S. provide free access to roughly 20 percent of our employees, making it easier for them to maintain primary health care. Since 2002, the clinics have maintained the highest-level accreditation from the Accreditation Association for Ambulatory Health Care. The clinics' quality study, "Hypertension In The Workplace: Strategies to Increase Adherence to National Guidelines," was nationally recognized at the American Association of Occupational Health Nurses conference and regionally at the New England Association of Occupational Health Nurses. In 2012, our clinics recorded 39,090 patient visits. More than 2,300 employees took advantage of screening programs on breast cancer, skin cancer, osteoporosis, vision and hearing, cholesterol, diabetes, blood pressure, blood glucose and BMI. We also offered Lunch-and-Learn programs on topics ranging from weight management and sleep disorders to elder-care support. 500 employees participated in these programs.

In addition, all employees have access to the Dossia Personal Health Record, an electronic platform that enables employees and their families to collect, maintain and track a variety of personal health information in a single secure, comprehensive resource. Pitney Bowes was a founding member of the consortium that created Dossia and was among the first companies to make it available to all employees.

Work-life balance

Where feasible, we encourage flexible working arrangements to help employees manage the demands of work and home. Our SitterCity benefit helps U.S. employees locate caregivers, whether for a child, aging adult, pet or house. We also provide tools to help employees develop flexible working proposals. Flexible options may include telecommuting, compressed work weeks, part-time assignments and variable work schedules. For U.S. employees, Your Life Resources (a work/life assistance program available through Value Options) offers information and services on topics ranging from urgent housing needs to low-cost medical clinics, summer camps, child and adult daycare, and much more. For more information on our Agile Work program, see the "Engagement" section of this document.

Transition2Work program benefits recovering employees and nearby nonprofits

Employees recovering from injuries or illness, whether job-related or not, have access to a program that offers light-duty assignments to speed the transition back to their regular jobs. Operated by a partner organization, Transition2Work enables workers to receive their full Pitney Bowes paycheck while performing light-duty functions for approved nonprofits. Begun in 2011, the program has already placed employees in organizations ranging from local museums to Habitat for Humanity.



Project: Living reaches employees and families with engaging wellness guidance https://www.pbprojectliving.com/en

Dozens of videos, employee forums and blog posts offer a wide range of rich content through our web-based Project: Living program, which reaches employees and families through home mailings, employee emails and calendars. Project: Living offers practical tips to help employees take advantage of company programs and benefits to make healthy lifestyle decisions, become better health care consumers and learn how to balance work and life.

Dial Ohm: Relaxation by phone

It's well known that stress can cause or aggravate numerous health conditions ranging from heartburn and muscle aches to obesity and diabetes. To help reduce these effects, Pitney Bowes offers free, confidential telephone counseling and stress management sessions to employees and family members. In addition to weekly call-in sessions, a library of prerecorded guided meditations provides a brief, guilt-free opportunity to relax, refresh and recharge anywhere, anytime.

2012 Well Workplace Award winners

Shown are Wellness Champions and their teams at four of 10 Pitney Bowes locations that earned Well Workplace Award Distinctions for completing specific activities focused on helping employees stay healthy and engaged. In return for earning the most points, the team at the Appleton Call Center received an XBOX Kinect with fitness games.



Danbury, CT

Nurse practitioner Donna Lentini and Wellness Champion Sue Jorg accept their Well Workplace Award for Danbury, CT.



PB Presort Dallas/Ft. Worth

Mail Services President Debbie Pfeiffer, Vice President and General Manager Darryl Cremer, Wellness Champion Mary Beth Floyd and team members at PB Presort Dallas/Ft. Worth accept their Well Workplace Award.



Appleton Call Center, WI

The entire Appleton WellComm Committee accepts its Well Workplace Award.



Corona, CA

Wellness Champion Angelica Ortega accepted the Corona, CA Well Workplace Award along with the great team in Corona, including Daniel Ortega, operations manager; Heather Delaney, transportation supervisor; Luis Gomez (Assistant Ops Mgr) David Collins (GM) Alfredo Moreno (Assistant Ops Mgr) Yesenia Maravilla (Shift Supervisor) Nidia Irias (Shift Supervisor) Steven Madrigal.

Our People: Performance 2012

Diversity and inclusion

(United States only)

Percentage of workforce: minorities 45.6 percent,

women 42.6 percent

Percentage of Board of Directors: minorities 23 percent,

women 23 percent

Health and wellness

Pitney Bowes on-site medical clinic visits: 39,030 More than 4000 free flu shots given to employees and family members through on-site and coupon programs

Safety

In 2012, our risk reduction initiatives continued to pay dividends as we achieved a 7 percent reduction in the rate of injuries (normalized by revenues) and a 42 percent decline in lost-time cases through improved case management and enhanced use of early-return-to-work programs.

(Global data unless stated)		2010	2011	2012
Incident Rate: Total recordable cases/100 employees/year		1.82	1.80	1.68
Days away and restricted cases/100 employees/year		1.64	1.56	1.35
Lost workday cases/100 employees/year		0.76	0.79	0.52
Ergonomic injury cases/100 employees/year (US only)		1.91	2.00	2.16
Work-related fatalities/year		0	0	0

Awards and recognition



National Business Group on Health

2013 Best Employers for Healthy Lifestyles



2013 Award for Innovation in Reducing Health Care Disparities

The award honors Pitney Bowes's partnership with Latino Health Solutions to engage Spanish-preference employees in improving their health through targeted bilingual Web sites, kiosks and training sessions as well as hiring 60 bilingual customer care professionals. This year's award marks Pitney Bowes's ninth straight year of recognition from the National Business Group on Health.



Pitney Bowes' Global Early in Career Program

The program was recognized as a best-practice program by the American Society of Training and Development. The program will be featured in the upcoming ASTD publication, "Talent Management Scorecard". The chapter dedicated to this program is "Accelerating Global Millennials to be Future Leaders".



Serving clients is our highest priority. By putting clients first, we benefit all our stakeholders. We apply this principle to everything from product design, manufacturing, marketing, sales and care to the ways we manage our external relationships. Because we depend on suppliers to help us meet client needs, we require our suppliers to meet performance standards as rigorous as our own, including standards of corporate responsibility.

Working with clients

Our employees are trained and empowered to put clients first. We work continuously to improve clients' experience with Pitney Bowes and to build client satisfaction and loyalty.

Working with suppliers

The Pitney Bowes Supplier Code of Conduct establishes social, environmental and ethical and legal compliance standards and performance benchmarks.

Supplier diversity

We believe that a diverse supplier base strengthens our business and creates competitive advantage. We seek to build relationships with diverse businesses that share our innovative, client-focused approach. Through our programs and policies, we create opportunities for diverse suppliers to compete for our business.

Performance 2012

We report on our spending targets and performance with respect to diverse suppliers.

Working with clients

We work continually to simplify our clients' experience, strengthen our dialogue on product and process improvements, and align our resources, standards and performance metrics on a global basis. Here are some of the steps we have taken since our last report:

- We launched a new MyMove site that's easier to use and provides more options for better service.
- We launched pbWebConnect in the U.S., pbSmartCodes in the U.K. and Canada, and pbSmartMobile in the U.S. and Europe.
 Each of these products incorporates a client feedback mechanism to help us identify potential enhancements.
- We established the PB Software ServiceStar team to provide "high-touch" subscriber service and easier interaction with other functional groups within the company.
- We launched a new virtual agent, "Sophie," in North America and the United Kingdom.
- We launched a new onboarding process with an online guide to help UK clients get up to speed faster.

Client Summit 2013

Each year we invite clients to meet and share ideas with company leaders and experts at our Global Document Messaging Technologies Client Summit. This year's summit drew more than 170 clients from 130 companies and 15 countries to our Global Technology Center in Danbury, CT, and our Customer Innovation Center in Shelton, CT. Over three days, clients heard industry experts, including Jim Hamilton of InfoTrends, saw over 30 innovations in print and mail, and had a chance to speak directly to our experts about ways we can help them achieve their goals. A highlight was the



International attendees enjoying the Make It Possible Solution Tour during the 2013 Pitney Bowes Client Summit



Clients watch the IntelliJet Printing System in action at the Pitney Bowes Customer Innovation Center

presentation of our second annual Brilliant Communication Awards honoring client innovations.

Best-practices webinars

To help clients succeed, it's not enough simply to provide products and services to meet their needs. We also seek to actively engage them in obtaining the maximum value from our technology and know-how. In addition to product training, we offer free webinars to help clients deal with common marketing challenges, technical issues and industry trends.

In 2012, we expanded this offering with nearly two dozen PB Software webinars focused on the needs of specific industry groups including telecommunications, retail, insurance, finance, public sector and utilities, as well as selected topics in data management, analytics and location intelligence. Examples include

- [Telco] Solving the Big Data Challenge: A Sphere-of-Influence Approach to Identifying Your Best Customers; Backward and Forward: Geocoding and Reverse Geocoding to Improve Service Quality
- [Retail] Boldly Go: Best Practices for New Market Entry
- [Insurance] Aggregate, Visualize and Manage: Gaining a Single View of Risk
- [Public sector] Intelligent Mail 101 for Public Sector Agencies
- [Data management] Cutting Through the Big Data Noise for Greater Customer Impact
- [Analytics] Anonymous Web Users: How to Personalize When You Don't Know Them Personally

We also served 856 Mail Services clients with 10 new webinars, also available in recorded form as part of an extensive library of best-practices resources.

Client communications

We also seek to educate clients more broadly about changes in the technology and practice of customer communications, and how Pitney Bowes can help them take advantage of them.

Dedicated websites and white papers for special interest groups

Many clients find useful tips, case studies and peer-group perspectives at Pitney Bowes-operated special interest group websites. Our North America Mailing organization offers practical information for small businesses at http://www.pbsmartessentials.com. Clients interested in global e-commerce opportunities can find help at our Ecommerce Solutions Group Resources Center, which includes technical and regional features and a blog at http://resources.pbecomm.com.

In addition, we periodically publish white papers offering "deep dives" into complex topics of broad client interest.

Recent examples include two publications from Pitney Bowes Management Services on "Print Outsourcing" and "Optimizing Print to Truly Print Less."





North American Mailing Service Team receives NorthFace Award

The Omega Management Group's NorthFace Scoreboard Award is widely regarded as the Oscar of client service—proof of the caliber of a company's service organization. Issued annually since 2000, it is the only award of its type determined solely on the basis of client responses. Shown accepting the 2012 award on behalf of North American Mailing and Document Messaging Technologies Services are Brian Stevenson, VP Global Customer Care, and Kevin Connolly, VP Global Client Services. Other recent winners have included Analog Devices, Boston Scientific, Sony Electronics and, in 2011, Pitney Bowes Software.

Client advocacy

Recent research by Harvard Business School and Forrester suggests that one of the surest ways to improve client satisfaction and retention is to increase direct access between management and clients so company leaders can learn firsthand about concerns they might not otherwise discover. At Pitney Bowes, our client advocacy organization is supplementing this process with small councils of employees at many levels, empowered to make the large and small tweaks needed to give clients the best experience possible. In addition, popular internal engagement tools such as Yammer and IdeaNet have increasingly become forums for client-centric innovations in products and services. In 2012 these forums yielded thousands of suggestions in areas ranging from emerging technology to order processing.

Working with suppliers

To serve our clients with the highest standards of service and product quality, we need corresponding standards in our dealings with suppliers. In addition to strict standards on the technical performance of supplier goods and services, we also seek to ensure that working conditions in our supply chain are safe, that workers are treated with respect and dignity, that manufacturing processes are environmentally and socially responsible, and that suppliers are committed to abiding by the laws that apply to them.

Supplier Code of Conduct

To formalize these expectations, in 2008 we introduced a Supplier Code of Conduct. The Code establishes critical benchmarks and examples of good management practices to help suppliers comply with the code's provisions for supplier performance in the following areas:

- Forced labor
- Wages and working hours
- Non-discrimination
- Respect and dignity
- Health and safety

Pitney Bowes climbs to No. 11 in 2013 Global Outsourcing 100 List

In May 2013, the International Association of Outsourcing Professionals® released its annual ranking of outsourcing organizations, placing Pitney Bowes 11th among the world's top 100 firms. In addition to the overall rating, the company placed among the best five companies in legal services, best 10 in document management and facility services, and best 20 in seven categories, including financial services, government, U.S., Canada and Western Europe.

Aflac names Pitney Bowes Outstanding Partner of the Year for Innovation and Technology

Each year guaranteed-renewable U.S. insurance provider Aflac recognizes partners who help it deliver exceptional service to its customers. In 2012 it cited Pitney Bowes for helping it improve the speed, accuracy and costeffectiveness of monthly statements through its IntelliJet® 20 full-color variable-data printing and Mailstream Evolution™ inserting systems.

- Protection of the environment
- Legal and ethical dealings

The code is also written into all of our supplier agreements. We require our largest suppliers to acknowledge receipt of the code and support for its standards and provisions, including our expectation that they will apply the code's standards to their own extended sources of supply engaged in the production of goods and services for Pitney Bowes. We encourage suppliers and Pitney Bowes employees to report violations of the code through our confidential Ethics Help Line.

Transparency in our supply chain

In compliance with the state of California's Transparency in Supply Chain Act, Pitney Bowes has disclosed what we require of our suppliers in our efforts to eliminate forced labor and human trafficking in the world's supply chain. Among other things, our direct suppliers acknowledge and agree to abide by our standards set forth in the Supplier Code of Conduct and contractually agree to give us access to information that would allow us to verify that they are not engaged in trafficking and to extend the Code to all of their extended sources of supply.

Conflict Minerals

In August 2012, the Securities and Exchange Commission adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act to require companies to publicly disclose their use of "conflict minerals" originating in the Democratic Republic of the Congo and certain other countries. The minerals covered include tantalum, tin, gold and tungsten as deemed "necessary to the functionality or production" of a company's products. U.S. legislation and guidance from the Organisation for Economic Co-operation and Development require companies to conduct a "reasonable country of origin inquiry" throughout their supply chain to confirm that their products do not contain conflict minerals. In 2014, companies will be required to provide this disclosure on a new form to be filed with the SEC called Form SD.

Pitney Bowes is committed to full compliance with this requirement. Steps we have taken include

- educating employees, suppliers and partners on the need to support us in not using conflict minerals.
- requiring suppliers to complete surveys tracing any metals that may contain conflict minerals back to their source.
- developing internal policies, tools and training to ensure timely, consistent implementation.
- tracking and reporting supplier data in a product compliance information database.
- working with suppliers to eliminate the use of minerals that may support conflict in the DRC.
- benchmarking best practices with other Fortune 500 companies.

We will report our 2013 findings in 2014.

Supplier diversity

Pitney Bowes' commitment to diversity spans more than forty years. Our supplier diversity program has been in place for almost twenty years, and we have repeatedly been recognized both regionally and nationally for our supplier diversity performance and best practices. We firmly believe that diverse businesses enhance our supply base, providing innovative strategies and solutions while meeting or exceeding expectations in the areas of cost, quality, and delivery. We work diligently to ensure that minorities, women, veterans, service-disabled veterans, HUBZone and other economically disadvantaged small businesses have the maximum opportunity to compete for our business. We also continue to develop new strategies to help diverse businesses grow and participate in our own growth.

We are committed to achieving 8 percent of supplier spend with minority- and women-owned businesses by the end of 2014. We are also committed to earning recognition as a supplier diversity leader in our industry and to achieve the level of "advanced supplier diversity process." Our strategy includes:

- **Sourcing:** Implementing goals and targets at the category level, with category managers assigned subcontracting targets and required to develop sourcing plans to support the inclusion of diverse businesses.
- **Supplier development:** Working with existing diverse suppliers to help them qualify for expanded relationships through product or process improvements.
- **Communication:** Working across the enterprise to ensure commitment to supplier diversity by stakeholders throughout the company, including senior management, procurement, human resources, facilities and engineering.
- Metrics: Using a performance scorecard to address current state, future state, opportunities and action items, with sourcing teams meeting quarterly to address gaps, develop plans and present results to senior management.
- New areas of opportunity: Working to identify diverse suppliers in additional areas including commercial print (NAICS 323113), logistics (NAICS 541614) and paper (NAICS 322299).

Reporting

We report second-tier spend on a quarterly basis via an indirect model based on percentage of client revenue related to diverse supplier categories. We currently monitor spend with the following business types: Small, Minority, Women, Veteran, Service Disabled Veteran and HubZone, and we make second-tier data available to customers representing a minimum of \$1 million in annual revenue.

Supplier Qualification and Certification

We expect all suppliers to meet our high standards of product and service quality, as well as specific objectives related to cost, quality and delivery. To be considered for business with us, diverse businesses are encouraged to seek certification from one of the following agencies:

- National Minority Supplier Development Council
- Women's Business Enterprise National Council
- Small Business Administration
- Association for Service Disabled Veterans

We also accept certification by local and state governments.

Our engagement with advocacy groups extends beyond membership. We actively participate in events, volunteer on committees that define and implement programs, and regularly assume leadership roles. Laura Taylor, vice president of enterprise procurement, serves as the chairman of the board of the Women's Business Enterprise National Council, and Lawrence Wooten, manager of Supplier Diversity, serves as the chairman of the board of the Greater New England Minority Supplier Development Council.

Supplier diversity outreach

We provide numerous opportunities for diverse suppliers to develop relationships with our internal stakeholders. Each year we host the Women Presidents' Educational Organization and the Greater New England Minority Supplier Development Council in sessions focused on topics such as "How to Do Business with Fortune 500 Companies" and "Supplier Development Best Practices." In addition, every two years we hold a Supplier Diversity Summit, which combines a broad exchange of ideas on procurement opportunities with awards, recognition and matchmaking.

Clients & suppliers: Performance 2012

Supplier diversity

Pitney Bowes Enterprise Procurement continues to actively engage in a company-wide strategic transformation initiative, whose effects have included significant supplier consolidation. Having modified our processes to include supplier diversity in our sourcing strategies, we were still able to make progress against aggressive supplier diversity goals. In 2012, our overall percentage spend with diverse suppliers increased by 8 percent from the prior year. Successful contract awards to diverse businesses included engagements in the areas of staffing, janitorial services and products, courier services, security, information technology, manufacturing and logistics.

Recognition



Pitney Bowes receives 2013 Forrester Research "Outside In" Award for Customer **Experience Measurement** Earlier this year, Forester Research introduced a new series of international awards for excellence in providing a great customer experience. We were among the inaugural winners, with a specific citation for customer experience measurement. Award criteria included clarity of approach, impact on customers' experiences, impact on business performance, degree of innovation, and lessons provided for other firms. In the words of Gael Lundeen, vice president of customer experience for Pitney Bowes, "Measurement is a cornerstone of all of our programs. We are deeply honored that Forrester has selected us for this award."



Pitney Bowes named one of America's Top Corporations for Women's Business Enterprises by the Women's Business Enterprise National



Laura Taylor named Top 30 Women in Supplier Diversity by Diversity Plus Magazine.



Larry Wooten named Champion of Supplier Diversity. Larry Wooten continues in the role of chairman of the board and nominated for Advocate of the Year by the Greater New England Minority Supplier Development Council.



Pitney Bowes is strongly committed to investing in the communities we serve. We believe such investment strengthens our business, benefits our employees and reinforces our values. We also believe it is most effective when it is aligned with our corporate mission of helping organizations grow through better communications. For this reason, we focus our philanthropic giving on support for literacy and education. Through the Pitney Bowes Foundation and corporate contributions, we provide grants and matching gifts to worthy causes. We complement our cash giving with in-kind donations of Pitney Bowes products and services. We also encourage direct employee involvement, and our employees respond every year by donating thousands of hours in support of literacy programs and community organizations.

Literacy & education

We provide funding, technology and expertise to non profits working on literacy and education at every stage from early childhood through adulthood, with a special focus on programs designed to help close the achievement gap and strengthen the future workforce. The programs we support include national and regional after-school and summer reading programs, school system investments, and mentoring and job training initiatives.

Local community support

In areas where we have a significant local presence, we support community organizations through grants directed by Local Community Leadership Teams of employee volunteers. Each team receives a budget, which it then allocates to meet local priorities, with at least 70 percent of the funding dedicated to literacy and education programs.

Employee involvement

Our employees dedicate time and money to causes they care about. In doing so, they help transform our communities. We support their charitable efforts in several ways:

- Matching grants—We conduct annual giving campaigns in the United States, the United Kingdom, Canada and the Asia Pacific region that permit employees to make charitable contributions via payroll deduction.
- Volunteering—We support employees' community service
 efforts through grants to the organizations where they
 volunteer, grants to cover the cost of materials and supplies
 for employee team volunteer projects, and guidance
 on volunteering as an aspect of career development.
- Disaster relief—The Pitney Bowes Relief Fund, a U.S. 501(c)(3) charity financed by employee contributions and matching funds, helps to ensure that employees and others have access to essentials in times of critical need. We also launch global employee fundraising appeals and contribute matching funds when a disaster affects a Pitney Bowes community outside the U.S.

Performance 2012

We report on total giving through the Pitney Bowes Foundation and corporate contributions.

Literacy & education

All children deserve the chance to grow into healthy, educated and productive members of society no matter where or when they are born. But with almost half of the world's youth not completing or having access to secondary education and only 4.5 percent of world GDP dedicated to education, the need for additional educational capacity and appropriate programs is enormous.

As a global leader in helping businesses communicate more effectively, Pitney Bowes has a vital interest in literacy and education. We also believe that by supporting literacy and education programs, we can improve countless lives, strengthen the fabric of our communities and help build a strong competitive workforce for the future.

How can companies like Pitney Bowes make a difference? Given the scale of the challenges, we believe the best way is through partnerships with outstanding nonprofits at the local, national and global levels. Through such partnerships, we have helped deliver demonstrable benefits to our communities, our young people and our workforce.

Each year, Pitney Bowes grants approximately \$1.4 million to literacy and education organizations, with a particular focus on improving access to books, closing the achievement gap and preparing people for successful employment.

Last year, we made literacy and education grants to 50 organizations in the United States. Our grants typically focus on communities where we have a presence and where the population is underserved or at risk. Many of the programs we support focus on children aged 3 to 12 from pre-kindergarten through elementary and middle school. We support schoolyear enrichment initiatives such as Head Start, mentoring and after-school homework support, as well as summer learning opportunities to help consolidate gains made during the school year and minimize losses over summer vacation. We also support programs at the high school level and beyond, including mentoring, job training and ESL and GED courses.

In addition, we are increasingly leveraging our products, services and expertise for the benefit of these programs through in-kind donations and skills-based volunteerism. In 2012, organizations received in-kind corporate donations totaling \$562,000. Meanwhile, employees invested their skills and expertise through more than 80,000 cumulative hours

of hands-on and skills-based volunteerism at every level from tutoring and mentoring activities to strategic nonprofit board involvement. Employees throughout the company are passionate about this commitment, as many of the examples in this section of the report demonstrate.

Our major philanthropic partnerships include:

- Read to a Child Project LEAP (Literacy Enhancement Action Plan), supporting local and regional affiliates as well as national mentoring programs for low-income elementary students.
- National Center for Family Literacy programs that help parents and children learn together.
- National Literacy Trust (U.K.) receives funding raised through the Pitney Bowes Pushing the Envelope Campaign, an annual auction of artwork designed by celebrities and executed on envelopes.
- National Urban League youth education programs.
- Network for Teaching Entrepreneurship middle school summer camps and a high school competition to help young people from low-income communities build entrepreneurial skills and launch businesses.
- **Reading Is Fundamental** early literacy support for children and caregivers through family literacy events, activity guides, lending libraries and book distribution.

More children in more places learn to Share the Message: Read!

Year after year, we continue to broaden and deepen our partnership with Reading Is Fundamental, the largest children's literacy nonprofit in the United States. Pitney Bowes Chief Financial Officer Michael Monahan serves on RIF's Board of Directors, leading a team of employee volunteers that now numbers nearly 800. Joint activity with RIF peaks in April during our annual Global Volunteer Month, when employees turn out for dozens of "Share the Message: Read!" events spanning not only the United States, but also selected cities in Australia, Canada, India and the United Kingdom. During the past three years, the program has served more than 10,000 children and their families, using a variety of enrichment activities to awaken them to the pleasures of reading and motivate them to keep on reading throughout their lives. In the photos: scenes from 2013 "Share the Message: Read!" events include employee volunteers and students at Shelter Rock Elementary School in Danbury, CT, and volunteer teams in Detroit, MI, and Troy, NY.



Pitney Bowes funds Young Readers Programme at three UK Schools

A grant from the Pitney Bowes Foundation brought books and crafts along with employee volunteers to support 99 children at schools in Harlow, Watford and Manchester under the National Literacy Trust's Young Readers program last year. The program, modeled on Reading Is Fundamental in the United States, encourages children and young people in disadvantaged communities to read for pleasure by providing books and challenges tailored to the individual interests of each child. The decade-long partnership between Pitney Bowes and the National Literacy Trust has yielded more than £100,000 in support of child and adult literacy programs throughout the UK.



Pitney Bowes continues support for A Billion + Change

The Washington, D.C.-based A Billion + Change campaign, managed by the Points of Light Institute, seeks to mobilize billions of dollars of pro bono and skills-based service by encouraging businesses to inspire their employees to apply their professional talents to community issues. Since 2011, Pitney Bowes has been a Billion + Change Pledge Company, reinforcing its commitment to skill-based volunteerism and honoring the many Pitney Bowes employees who regularly donate professional services to educational and charitable organizations. In 2012, the aggregate value of that volunteerism passed the \$2 million mark.

Local community support

In addition to making contributions at the national and regional levels, we encourage Pitney Bowes facilities to support their local communities. The Pitney Bowes Foundation provides funding for certain local initiatives identified by 14 Local Community Leadership Teams across the United States. Teams allocate at least 70 percent of their budgets to local literacy and education programs, with the remainder available to meet other community needs.

A few of last year's achievements by Local Community Leadership Teams:

- A team in Troy, NY, provided a \$4,000 grant to Literacy Volunteers of Rensselaer County in support of Read to a Child (formerly Everybody Wins! USA). The program reached 63 students with more than 2000 hours of additional learning and produced a 50 percent increase in the number of students expressing positive attitudes about reading.
- A team in Hartford, CT, supported the For the Love of Children Initiative with a \$2,500 grant, providing approximately 25 students with an average of 3 hours each per week over the program's 23-week span. The report cards of nearly all the regular participants improved significantly.
- A team in Shelton, CT, provided \$5,000 to the Shelton Board of Education Mentoring Program to support the Shelton Ten80 Student Racing Challenge, a NASCAR-affiliated science, technology, engineering and math initiative involving about 50 Shelton students. The students spent up to four hours a week in project-based learning assignments and were scored across a broad range of categories. At the program's conclusion, the Shelton Intermediate School student racing team ranked first among all middle schools in New England and sixth nationwide.

Employee involvement

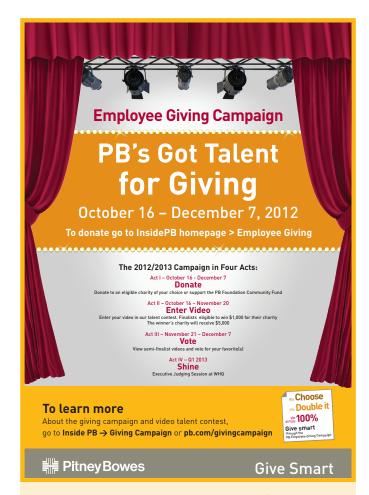
We know that good corporate citizenship helps us to attract and retain good employees. We also recognize that our people can develop useful skills outside the workplace. And we believe that encouraging engagement in our local communities reinforces employees' engagement in our company. With increasing numbers of employees participating in our Agile Work program, community service often serves as a valuable catalyst for developing stronger teams and connecting them to the community. For all these reasons, we encourage employees to get involved as volunteers and supporters of nonprofit organizations.

Matching of employee contributions

We encourage employees to make charitable donations, and we support their efforts by matching their contributions to eligible charities in the United States, Canada, the United Kingdom and the Asia-Pacific region. We conduct annual giving campaigns and allow employees to contribute through payroll deduction. We match their contributions to eligible charities 100 percent.

Global grants for volunteerism

Each year, we provide grants to nonprofit organizations where our employees volunteer through our individual recognition grant program (with grants ranging from \$125 for 25 hours of service to \$500 for 100 hours). We also cover the costs of supplies and materials needed for employee volunteer efforts through our competitive team project grant program.



PB's Got Talent for Giving draws 54 videos, \$1.7 million in employee pledges

Challenging employees to get creative about their charitable giving, our most recent annual Employee Giving Campaign drew a vigorous response. Participants from six countries submitted 54 videos, with the grand prize winner earning a \$5,000 grant to their favorite charity and the five runners-up each earning \$1,000 grants for their organizations. At the end of the drive, pledges had exceeded the last five years' giving levels and had beaten the previous year's total by 12 percent.

Volunteering that supports personal development

In keeping with our philanthropic focus, we offer employees structured volunteering opportunities linked to literacy and education initiatives. At the same time, we see volunteer service as an opportunity for employees to develop their skills, and we provide employees with guidelines that map volunteer opportunities to specific skills and core competencies that employees are interested in developing.

Nonprofit board service program

We encourage employees to serve on local committees and nonprofit boards and provide them with tools to find opportunities in their communities. We also work with grantee organizations and other charities whose missions support our philanthropic goals to identify volunteer leadership opportunities. Our Corporate Philanthropy and Strategic Talent Management teams work together to match employees' passions and development goals with the opportunities available. We also recognize outstanding volunteer initiatives through our company's highest employee honor, the Pitney Bowes Impact Award.

Employee volunteers transform classrooms in Sri Lanka

Combining a team-building exercise with community service, more than 70 Pitney Bowes employees at a Sri Lanka sales meeting pitched in to help a local school with a fresh paint job that included individual murals for each classroom. The 200-plus hours of volunteerism at Negombo's Ng/Kudapaduwa Sinhala Mix School made for a memorable Sales Leadership Conference while delighting residents and school officials. It also set a valuable example of integrating corporate responsibility and leadership training.

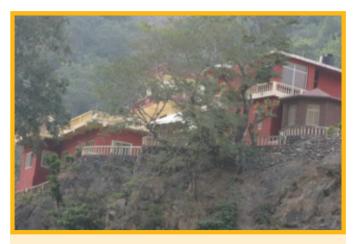


U.K. facilities move yields furniture and equipment for 14 schools and charities

Office and classroom furniture, kitchen equipment and potted plants were just some of the items made redundant when Pitney Bowes moved operations in Harlow and Hatfield to new quarters earlier this year. A team of 10 employee volunteers then worked to find appropriate recipients for this substantial stockpile. When they were done, nine schools and five other organizations had gained a variety of equipment. In one case, well over 100 items were brought together to create a new exam area at Leventhorpe School in Sawbridgeworth.

Meanwhile, Pitney Bowes offices throughout Spain have banded together in "Proyecto Colabora" (Project Collaboration) to support poor and homeless families in the face of nationwide unemployment and cutbacks in government relief programs. Collections of food, clothing, toys, books and other items are delivered regularly to Spanish social organizations including Caritas, Arrels, Crae and Hogar Don Orione. Colleagues in Seville are shown bringing food for distribution by the local church in the nearby village of Dos Hermanas.





Three events bring 35 employee volunteers to 100 students at Gopal Dham

Pitney Bowes Software India continued to provide at-risk children with literacy support and engaging activities through a series of events held in partnership with the nonprofit Sewa Bharti as part of their Gopal Dham project. Gopal Dham is a family-oriented home that accommodates a diverse group of impoverished children ranging from orphans to victims of terrorism.

Portugal and Spain

Each year since 2006, PB Portugal has supported several community nonprofits dedicated to helping mothers and children in need. Each of the organizations serves a particular set of needs, from nutrition to services for abandoned children, pregnant women and young cancer victims. For 2012, PB Portugal focused its efforts on Banco Alimentar, which supports free distribution of food that would otherwise go to waste.









Disaster relief

The **Pitney Bowes Relief Fund**, a U.S. 501(c)(3) charity, was established in 1992 to provide for colleagues and others whose lives are disrupted by natural disasters or personal misfortune. Financed by employee contributions and a match from the foundation, the Relief Fund gives recipients access to food, shelter, clothing and medical care in catastrophic situations. Pitney Bowes covers the Relief Fund's administrative costs, ensuring that all donations directly benefit those who need assistance. The Salvation Army manages the Relief Fund's grants and refers employees to community-based resources where appropriate. Since its inception, the Relief Fund has distributed more than \$2.9 million in assistance. In 2012, the Relief Fund assisted 25 Pitney Bowes employees affected by Hurricane Sandy, the November 2012 nor'easter and the Newtown, CT, shootings.

In addition, the Pitney Bowes Foundation launches special matching appeals following natural disasters that impact Pitney Bowes employees, customers and communities outside the U.S.

Helping clients and neighbors during and after Hurricane Sandy

Hurricane Sandy, the second costliest hurricane in U.S. history, spread devastation across 24 states during its passage up the Atlantic seaboard in October 2012, with New York, New Jersey and Connecticut among the hardest-hit areas. Through the long hours of the storm, the Pitney Bowes Management Services team at Bank of America worked to minimize its impact on the bank's day-to-day operations while expediting the delivery of relief supplies to those in need. Advance planning, coordination with city and state evacuation and transportation authorities, and the unstinting efforts of more than two dozen employees helped to avoid service interruptions, speed recovery and ensure the safety and well-being of all concerned.

Community: Performance 2012

Total giving (Pitney Bowes Foundation and corporate contributions): \$4.7 million

Literacy and education contributions (by focus area)

Achievement gap 55%Workforce preparedness 45%

	2009	2010	2011	2012
Students served	21,774	30,461	31,669	36,406
Student hours	625,661	987,935	1,332,617	1,749,687

General charitable contributions

• Total match of employee charitable contributions: \$1.4 million (Includes U.S., Canada, U.K. and Republic of Ireland).

Employee volunteerism

- Employees volunteered over 80,000 hours in 2012
- Aggregate value of employee volunteerism: over \$2 million (includes hands-on and skill-based volunteer activities as well as nonprofit board service.)

Awards and recognition

National September 11 Memorial & Museum names Pitney Bowes its Global Partner of the Year

The September 11 Memorial and Museum in New York City commemorates those who died or were injured in the 2001 terrorist attacks on the United States and works to educate future generations. In honor of four Pitney Bowes employees who lost their lives in the attacks, the company became one of the institution's Founding Members early in 2012. Since then, we have worked closely with the organization to provide funding, equipment and services to support its educational programs, including the printing of more than three million guides in nine languages. In August 2012, the Memorial and Museum named us its Global Partner of the Year.



Corporate Citizenship and Philanthropy Team Receives 2012 Pitney Bowes Impact Award

Each year, Pitney Bowes recognizes outstanding individuals and teams with its Impact Award, celebrating the highest level of work exemplifying our values in action. In 2012, seven individuals and teams received awards in four categories: client focus, revenue enhancement, continuous improvement and innovation, and diversity and inclusion. Among the winners was the Corporate Citizenship and Philanthropy Team, honored for its innovative literacy and education volunteer program, Share the Message: Read! The program, described earlier in this report, has mobilized nearly 500 employee volunteers and helped more than 6,000 children and their families in just three years of operation.

From left: Adina Ba, Senior Foundation Analyst; Kathleen Ryan Mufson, Director, Citizenship and Philanthropy; Anna Alexander, Manager, Finance and Operations; Polly O'Brien Morrow, Manager, Programs; and Launia Spence, Administrative Assistant.



